

AGREEMENT FOR PURCHASE AND SALE
AND ESCROW INSTRUCTIONS

First American Title Insurance Company
 114 E. Fifth Street
 Santa Ana, CA 92701

Attention: Bette Hollenbeck
 Escrow No.: 1416320

THIS AGREEMENT FOR PURCHASE AND SALE AND ESCROW INSTRUCTIONS ("Agreement"), dated for convenience and reference this 6th day of November, 1985, is entered into by and between COLT INDUSTRIES OPERATING CORP, a Delaware corporation ("Seller"), and HOWARD K. BARLOW, individually and as trustee under those Declarations of Trust dated June 5, 1985, October 3, 1985, October 14, 1985 and October 24, 1985 ("Buyer"), with reference to that certain real property located in the City of Anaheim, County of Orange, State of California, commonly known as 2100 Orangethorpe, consisting of an industrial building of approximately 46,000 square feet (the "Building") located on approximately 5.2 acres and more particularly described on Exhibit A attached hereto (the "Property"), upon the terms and conditions set forth herein. For purposes of this Agreement, the "date of this Agreement" shall be the later of the two dates on which the parties hereto execute this Agreement as set forth beside the signatures of Buyer and Seller.

ARTICLE I
 PURCHASE AND SALE

1.1 Sale and Purchase. Subject to the terms and conditions set forth in this Agreement, Seller agrees to sell the Property to Buyer and Buyer agrees to buy the Property from Seller on the terms and conditions set forth in this Agreement.

1.2 Purchase Price. The total purchase price (the "Purchase Price") for the Property shall be Two Million Three Hundred Fifty Thousand Dollars (\$2,350,000.00).

1.3 Payment by Buyer. The Purchase Price shall be paid as follows:

- (a) Buyer shall pay: Fifty Thousand Dollars (\$50,000.00) which shall be deposited into escrow as a deposit (the "Deposit") upon the opening of escrow. Such deposit shall be applied toward the Purchase Price.

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- (b) The remainder of the Purchase Price shall be paid in cash through escrow.

ARTICLE II ESCROW

2.1 Agreement to Constitute Escrow Instructions. This Agreement shall constitute escrow instructions and a copy hereof shall be deposited with the Escrow Holder for this purpose.

2.2 Escrow Holder. The escrow shall be with First American Title Insurance Company ("Escrow Holder").

2.3 Opening of Escrow. Escrow shall open on the date on which three (3) copies of this Agreement, properly executed by both parties, have been deposited with Escrow Holder, which copies the parties hereto agree shall be delivered to Escrow Holder immediately following execution. Escrow Holder shall notify both parties immediately upon receipt of such copies of this Agreement as so executed as to the date of the opening of escrow, by endorsing all copies of this Agreement as provided in the space following the signatures of Buyer and Seller below and returning one (1) copy to Seller and one (1) copy to Buyer.

2.4 Close of Escrow. Provided all the conditions to the close of escrow set forth in this Article have been satisfied, escrow shall close as soon as possible following the date of opening of escrow, but no later than fourteen (14) calendar days following the date of the opening of escrow. The date established herein for the close of escrow shall be referred to herein as the "Proposed Closing Date." The date of the actual close of escrow shall be referred to herein as the "Closing Date."

2.5 Certain Obligations of Buyer

(a) In addition to any other obligations contained in this Agreement, Buyer shall deposit into escrow the sum set forth in the Section hereof entitled "Payment by Buyer" on or before the times set forth in such Section.

(b) On or before one (1) business day prior to the Proposed Closing Date, Buyer shall deposit into escrow:

(i) The remainder of the Purchase Price as provided in the Section hereof entitled "Payment by Buyer."

(ii) All other sums and documents required by Escrow Holder to be deposited by Buyer to carry out this escrow.

2.6 Certain Obligations of Seller. In addition to any other obligations contained in this Agreement, on or before one (1) business day prior to the Proposed Closing Date, Seller shall deposit with Escrow Holder:

(a) A quitclaim deed conveying the Property to Buyer or Buyer's nominee (the "Deed"), duly executed and acknowledged by Seller;

(b) An affidavit provided by Escrow Holder which is required for the exemption from withholding under Section 1445(b)(2) of the Internal Revenue Code of 1954, as amended, and which certifies that Seller is not a foreign entity and sets forth Seller's tax identification number;

(c) All other documents and sums required by Escrow Holder to be deposited by Seller to carry out this escrow.

2.7 Conditions to the Close of Escrow. Escrow shall not close unless and until:

(a) Both parties have deposited with Escrow Holder all sums and documents required to be deposited as provided in the Sections hereof entitled "Certain Obligations of Buyer" and "Certain Obligations of Seller."

(b) The disputes with respect to the Miller Agreement more particularly described in Section 4.5 hereof entitled "Prior Purchase and Sale Agreement" are settled to the satisfaction of Seller, or such satisfactory settlement is waived by Seller.

(c) Escrow Holder is prepared to issue the CLTA policy of title insurance as described in Section 2.8 hereof entitled "Title Policy."

2.8 Title Policy. Escrow Holder is hereby instructed to deliver to Buyer through escrow a CLTA standard owner's policy of title insurance (or an ALTA Form B extended coverage policy, at Buyer's option and provided that Buyer is able to deliver an ALTA survey to Escrow Holder in sufficient time to enable the issuance of such policy by the Proposed Closing Date) insuring Buyer hereunder as fee owner of the Property in an amount equal to the Purchase Price, issued by First American Title Insurance Company ("Title Company") and dated the Closing Date, subject only to (a) the usual printed title company exceptions, (b) all exceptions set forth under Schedule B in that certain Commitment dated October 22, 1985 ("Commitment") issued by the Title Company, except for those Exceptions numbered 8 and 14 under Part II of the Commitment, (c) any additional exceptions arising from ALTA coverage, if requested, and (d) those exceptions otherwise approved by or created by Buyer.

2.9 Recordation of Documents and Delivery of Funds. Upon receipt of the funds and instruments described in this Article, and upon the satisfaction or waiver of the contingencies specified in this Article, the Escrow Holder shall cause the Deed to be recorded in the office of the County Recorder of Orange County, California. Upon the close of escrow, Escrow Holder shall deliver the proceeds of this escrow (less appropriate charges), to Seller, and all sums to be disbursed to Seller by Escrow Holder shall be by federal wire transfer or other immediately available funds.

2.10 Prorations. Real property taxes and assessments shall be prorated between Buyer and Seller as of the Closing Date based on the latest available tax information. Such prorations shall be based on a 30 day month and a 360 day year.

2.11 Costs of Escrow.

(a) Seller shall pay;

(i) One-half (1/2) of the escrow fee;

(ii) The cost of a CLTA standard owner's policy of title insurance in the amount of the Purchase Price;

(iii) The cost of documentary transfer taxes in connection with the Deed;

(iv) The cost of any of Seller's other obligations hereunder.

(b) Buyer shall pay:

(i) One-half (1/2) of the escrow fee;

(ii) Recording fees for the Deed;

(iii) The premium for the ALTA extended coverage policy, if so requested by Buyer as provided in Section 2.8 hereof entitled "Title Policy," in excess of the amount paid by Seller pursuant to paragraph (a)(ii) of this Section together with any survey costs in connection with said ALTA policy which survey Buyer shall be responsible for providing;

(iv) The cost of any of Buyer's other obligations hereunder.

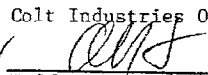
2.12 Broker's Commission. Buyer and Seller each represent and warrant to the other that no broker, agent or finder, licensed or otherwise has been engaged by it, respectively, in connection with the transaction contemplated by this Agreement, other than Coldwell Banker Real Estate Services at 2100 West Orangewood, Suite 100, Orange, California 92668, whose commission shall be paid from Seller's proceeds pursuant to separate instructions from Seller to Escrow Holder. In the event of any additional claim for broker's, agent's or finder's fee or commission in connection with the negotiation, execution or consummation of this transaction, the party upon whose alleged statement, representation or agreement such claim or liability arises shall indemnify, hold harmless and defend the other party from and against such claim and liability including without limitation reasonable attorneys' fees and court costs.

2.13 Default. Time is of the essence in this Agreement and if Buyer or Seller (the "Defaulting Party") fails to deposit any of the amounts due pursuant to this Agreement, or to perform any other act when due, then the other party (the "Non-Defaulting Party") may initiate

termination of this Agreement by notice in writing to the Defaulting Party and Escrow Holder. If the Defaulting Party has not fully cured the default within three (3) calendar days after receipt of said notice by the Defaulting Party, Escrow Holder may be instructed by the Non-Defaulting Party to cancel this escrow and the Non-Defaulting Party shall thereupon be released from its obligations under this Agreement.

2.14 Liquidated Damages. Buyer and Seller agree it would be impractical or extremely difficult to fix actual damages in the case of Buyer's default, and that the Deposit pursuant to Section 1.3 hereof entitled "Payment by Buyer" is a reasonable estimate of Seller's damages in such event, and that in the event of any default by Buyer hereunder as aforesaid, Seller may retain such sum and said sum shall constitute liquidated damages for taking the Property off the market and shall represent liquidated damages to Seller for Buyer's failure to perform. Buyer and Seller hereby agree that monetary damages shall be the sole remedy of each in the event of a default by the other and hereby mutually waive their respective rights pursuant to the provisions of California Civil Code Sections 1680, 3384, 3387 and 3389 and California Code of Civil Procedure Section 409.


Buyer's Initials

Colt Industries Operating Corp
 U.I.O.K.
Seller's Initials

Nothing in this Section shall prevent any recovery of attorneys' fees or other costs pursuant to the Section hereof entitled "Attorneys' Fees."

2.15 Termination of Agreement. In the case of termination of this Agreement for any reason, and upon written demand of Seller or Buyer, the documents and funds deposited into escrow by Buyer shall be returned to Buyer, and the documents or funds deposited into escrow by Seller shall be returned to Seller, except as provided in Section 3.14 hereof entitled "Liquidated Damages".

2.16 Escrow Cancellation Charges. In the event that this escrow shall fail to close by reason of the default of either party hereunder, the defaulting party shall be liable for all escrow cancellation and title charges. In the event that the escrow shall fail to close for any other reason, including without limitation, the failure of any condition pursuant to the Article hereof entitled "Buyer's Contingencies," each party shall be liable for one-half (1/2) of all escrow cancellation and title charges.

2.17 Additional Escrow Instructions. Any standard printed title company escrow instructions executed by Buyer and Seller shall constitute additional escrow instructions hereunder. In the event that any portion of such additional escrow instructions shall be inconsistent with the provisions of this Agreement, the provisions of this Agreement shall prevail to the extent of any such inconsistency.

ARTICLE III
ADDITIONAL PROVISIONS

3.1 Incorporation of Exhibits. All exhibits attached hereto and referred to herein are incorporated in this Agreement as though fully set forth herein.

3.2 Material Damage to Improvements. In the event of any material physical damage to the improvements on the Property which occurs after the date of this Agreement and prior to the close of escrow, Seller shall immediately notify Buyer and Escrow Holder of such damage. Buyer shall have the right to terminate this Agreement as a result of such material physical damage by giving written notice of such termination to Buyer and Escrow Holder no later than ten (10) days following receipt by Buyer of Seller's notice, with the close of escrow to be delayed, if necessary, to accommodate said ten (10) day period. In the event Buyer so terminates, the Deposit shall be returned to Buyer. In the event Buyer fails to so terminate, Seller shall assign to Buyer at the close of escrow any insurance proceeds due to Seller as a result of such damage.

3.3 No Representations; Indemnity. Buyer represents to Seller that Buyer has inspected the Property and is relying on its own inspections and studies to enter into this Agreement and in purchasing the Property. Buyer further represents that there have been no representations by Seller or on Seller's behalf other than as specified in this Agreement concerning the Property, that Buyer is not relying in purchasing the Property on any oral or written statement made by Seller or on Seller's behalf concerning the Property and that Buyer is relying solely on its own independent inspections of the Property. It is understood that the Property shall be conveyed in an "as is" condition, and no warranties or representations have been or will be made by or on behalf of Seller concerning the Property or Seller's title thereto. In purchasing the Property on an "as is" basis, Buyer acknowledges that Seller has disclosed to Buyer that in the past certain hazardous wastes have been stored on and deposited onto the Property, which storage and depositing may violate local, state and federal laws, may result in restrictions being placed on Buyer's use of the Property pursuant to California Health and Safety Code Sections 25100-25249 and other provisions of local, state and federal laws and may result in fines, damages, cleanup costs and other liability being assessed against Buyer as owner of the Property under Health and Safety Code Sections 205, 25100-25249 and 25300-25395, California Civil Code Sections 3479-3503, California Government Code Section 12607, the federal Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA), the federal Resource Conservation and Recovery Act (RCRA), the federal Water Pollution Control Act (Clean Water Act), the federal Safe Drinking Water Act and other local, state and federal laws. In connection with the foregoing, Buyer acknowledges that it has reviewed the Certification of Closure from the California Department of Health Services dated April 16, 1985, attached hereto as Exhibit B. Buyer agrees that it will make no claims against the Seller or

any person or entity controlled by or in control of Seller (collectively "Seller's Affiliates") for any fines, damages, costs or other losses Buyer suffers because of the past storage or depositing of hazardous wastes on the Property. Buyer shall indemnify and hold Seller and Seller's Affiliates harmless against any liability, loss, damage, judgment, fine, claim, cost or expense (including, without limitation, attorneys' fees and court costs) arising from or related to the storage or deposit of hazardous wastes on the Property, whether or not caused in whole or in part by the active or passive negligence of Seller or Seller's Affiliates. Further, Buyer agrees that Seller and Seller's Affiliates shall not be liable for Buyer's inability to use or develop the Property as intended for any reason whatsoever due to the past storage or depositing of hazardous wastes on the Property and that such storage and depositing shall not provide any grounds whatsoever to support rescission of this Agreement or any other recovery by Buyer on this Agreement, including, but not limited to, rescission or other recovery grounded in fraud, failure of consideration or misrepresentation. In addition, Seller shall have no liability for any subsequently-discovered defects, whether latent or patent, or any other problems related to the Property or Seller's title thereto following the close of escrow. This Section shall survive the Close of Escrow and shall be enforced by Seller only to the extent permitted by law or equity.

3.4 No License to Enter. Seller hereby agrees that Buyer and/or its agents, representatives, contractors and subcontractors shall have no right to enter upon the Property prior to the close of escrow unless Buyer obtains specific written consent from Robert Phillips before such entry which specifies the time and purpose for such entry. Buyer hereby agrees to indemnify, defend and hold harmless Seller from and against any liabilities, obligations, injuries, claims, damages, costs or expenses, including reasonable attorneys' fees, arising out of or related to Buyer's review and inspection of the Property and the Building, including, without limitation (a) the claims (including liens) of any engineer, surveyor or other consultant engaged by Buyer to participate in Buyer's review and inspection of the Property and the Building and (b) any injury to or death of any person or damage to any property on or about the Property caused by Buyer or any engineer, surveyor or other consultant engaged by Buyer or who has entered on the Property at the request of Buyer, except when such damage or injury is caused solely by the negligence of Seller or where liability is imposed by law against Seller without fault.

3.5 Prior Purchase and Sale Agreement. Buyer acknowledges that the Property was the subject of that certain Agreement for Purchase and Sale and Escrow Instructions by and between Seller and William Miller ("Miller") dated for convenience August 31, 1984 ("Miller Agreement"). An escrow was opened to consummate the transaction contemplated by the Miller Agreement but was subsequently cancelled by Seller. It is Seller's position that Miller breached the Miller Agreement; however, Buyer recognizes that there are remaining disputes with respect to the Miller Agreement. Buyer acknowledges receipt from Charles Michel of Coldwell Banker of a letter from

Karen H. Clark of Gibson, Dunn & Crutcher dated June 12, 1985, which sets forth material information concerning the Miller Agreement. In addition, Buyer acknowledges that litigation is now pending related to the Miller Agreement as Superior Court Case No. 46-42-87. In the event Seller cannot convey the Property as specified herein to Buyer for any reason whatsoever resulting from or arising out of the Miller Agreement (including but not limited to Mechanic's Liens resulting from work authorized by Miller or his alleged agents, the filing of a lis pendens by Miller or any third party related to the Miller Agreement, or Seller's judgment, in its sole discretion, that it is in Seller's best interests in avoiding or reducing the possibility of litigation with Miller or any third party related to the Miller Agreement to not consummate the sale to Buyer), Seller shall so notify Buyer in writing. In such event Buyer shall have the right to either (a) terminate this Agreement or (b) extend the close of escrow for up to ninety (90) days. In the event Buyer elects to terminate this Agreement, Buyer shall be entitled to the prompt return of its Deposit. In such event, Seller and Buyer shall be released from their obligations under this Agreement and shall have no further remedies against each other by reason of such termination. In the event Seller cannot convey the Property to Buyer on the Proposed Closing Date for any reason whatsoever resulting from or arising out of the Miller Agreement including without limitation those specified above, and if Buyer has elected to extend the Proposed Closing Date by the full ninety (90) days as permitted herein, or if Seller consummates the transaction contemplated by the Miller Agreement as the result of litigation or settlement of litigation, the following shall occur: (a) this Agreement shall automatically terminate, (b) Buyer's Deposit shall be refunded to Buyer, (c) Seller shall reimburse Buyer for all of Buyer's actual out-of-pocket expenses related to appraisals, inspections, and studies of the Property, up to a maximum of Seven Thousand Dollars (\$7,000), (d) Seller shall reimburse Buyer up to a maximum of Twenty Thousand Dollars (\$20,000) of the actual cost to Buyer of a loan commitment from an institutional lender in the amount of approximately \$2,000,000, which commitment is entirely unconditional except for the condition that Buyer obtain title to the Property, and which commitment has been approved by Seller, which approval shall not be unreasonably withheld, and (e) neither party shall have any further right or remedy against the other except as set forth in this Section.

3.6 Attorneys' Fees. In any action between Buyer and Seller seeking enforcement of any of the terms and provisions of this Agreement, or in connection with any of the property described herein, the prevailing party in such action shall be awarded, in addition to damages, injunctive or other relief, its reasonable costs and expenses, not limited to taxable costs, and reasonable attorneys' fees.

3.7 Notices. All notices, requests, demands and other communications given or required to be given hereunder shall be in writing, duly addressed to the parties as follows:

If to Buyer at:

c/o Vista Paint Centers
2020 E. Orangethorpe Avenue
Fullerton, CA 92631

With a copy to:

Rutan & Tucker
611 Anton Blvd., Suite 1400
Costa Mesa, CA 92626

Attention: Marcia A. Forsyth, Esq.

If to Seller at:

Colt Industries Operating Corp
430 Park Avenue
New York, NY 10022

Attention: Vice President-General Counsel

With a copy to:

Gibson Dunn & Crutcher
800 Newport Center Drive, Suite 600
Newport Beach, CA 92660

Attention: Karen H. Clark, Esq.

If to Escrow Holder at:

First American Title Insurance Company
114 E. Fifth Street
Santa Ana, CA 92701

Attention: Bette Hollenbeck

If to Robert Phillips in order to obtain his
consent hereunder:

2188 So. Church Street
East Troy, Wisconsin 53120

Any such notice sent by registered or certified mail, return receipt requested, shall be deemed to have been duly given and received three (3) days after the same is so addressed and mailed in the continental United States with postage prepaid. Notice sent by any other manner shall be effective only upon actual receipt thereof. Any party may change its address for purposes of this Section by giving notice to the other party and to Escrow Holder as herein provided.

3.8 Assignment. This Agreement shall be binding upon the parties hereto and their respective heirs, successors or representatives, and this Agreement may not be assigned by either party without the express written consent of the other party first had and obtained, provided that Buyer may take title in the name of a nominee.

3.9 Relationship of Parties. The relationship of the parties to this Agreement shall be solely that of Buyer and Seller, and nothing herein contained shall be construed otherwise.

3.10 Governing Law. This Agreement shall be construed in accordance with the laws of the State of California.

3.11 Entire Agreement. This Agreement contains all of the agreements of the parties hereto with respect to the matters contained herein and no prior or contemporaneous agreement or understanding, oral or written, pertaining to any such matters shall be effective for any purpose. No provision of this Agreement may be amended or added to except by an agreement in writing signed by the parties hereto or their respective successors in interest and expressly stating that it is an amendment of this Agreement.

3.12 Headings. The headings of this Agreement are for purposes of reference only and shall not limit or define the meaning of the provisions of this Agreement.

3.13 Severability. If any paragraph, section, sentence, clause or phrase contained in this Agreement shall become illegal, null or void or against public policy, for any reason, or shall be held by any court of competent jurisdiction to be illegal, null or void or against public policy, the remaining paragraphs, sections, sentences, clauses or phrases contained in this Agreement shall not be affected thereby.

3.14 Waiver. The waiver of any breach of any provision hereunder by Buyer or Seller shall not be deemed to be a waiver of any preceding or subsequent breach hereunder.

3.15 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original but all of which shall constitute one and the same instrument.

3.16 Execution of Other Documents; Compliance with Regulations. The parties hereto will do all other things and will execute all documents which are necessary for the transaction contemplated hereby to close. Furthermore, the parties will comply at their own expense with all applicable laws and governmental regulations required for this transaction to close, including without limitation any required filings with governmental authorities.

3.17 Due Authorization. Seller hereby represents and warrants that it is duly organized and in good standing under the laws of the state of its incorporation, that it has full right and authority to enter into and consummate the Agreement, and that each of the persons signing this Agreement in its behalf is authorized to do so.

IN WITNESS WHEREOF, this Agreement has been executed by the parties on the dates set forth next to their respective signatures below, notwithstanding that this Agreement is dated for convenience and reference as of the date and year first written above.

Date: _____

"Buyer"

Howard K. Barlow
Howard K. Barlow,
an individual

Howard K. Barlow
Howard K. Barlow,
trustee under Declarations
of Trust dated June 5, 1985,
October 3, 1985, October 14,
1985 and October 24, 1985.

"Seller"

COLT INDUSTRIES OPERATING CORP,
a Delaware corporation

Date: December 4, 1985

By: [Signature]
Its: VICE PRESIDENT

By: [Signature]
Its: ASSISTANT SECRETARY

The undersigned Escrow Holder is in receipt of that certain Agreement for Purchase and Sale and Escrow Instructions (the "Agreement") dated for convenience and reference November 6, 1985, by and between COLT INDUSTRIES OPERATING CORP AND HOWARD K. BARLOW, and states that _____, 1985, is the date of the opening of escrow pursuant to Section 3.3 of the Agreement, and that the escrow number for this transaction shall be 1416320. The undersigned Escrow Holder agrees to act as Escrow Holder pursuant to the terms of this Agreement.

FIRST AMERICAN TITLE
INSURANCE COMPANY

By: _____
Bette Hollenbeck
Its authorized agent

DESCRIPTION OF PROPERTY

PARCEL 1

That portion of the northwest quarter of the northeast quarter of Section 2, Township 4 South, Range 10 West, in the Rancho San Juan Cajon de Santa Ana, as per map recorded in Rancho San Juan Cajon de Santa Ana, as per map recorded in Book 51, Page 10, Miscellaneous Maps, in the office of the county recorder of said Orange County described as follows:

BEGINNING at the northeast corner of the northwest quarter of the northeast quarter of said section; thence South 561.00 feet along the easterly line of said northwest quarter of the northeast quarter; thence West 303.00 feet; thence North 561.00 feet to the North Boundary line of said Section; thence East 303.00 feet to the point of beginning.

PARCEL 2

That portion of the northeast quarter of fractional Section 2, Township 4 South, Range 10 West, in the Rancho San Juan Cajon de Santa Ana, as per map recorded in Book 51, Page 10, of Miscellaneous Maps, in the office of the county recorder of Said Orange County, described as follows:

BEGINNING at a point South 30.00 feet from a cement block on the north line of said Section 2, West 1320.66 feet from the northeast corner of said section, thence South 630.00 feet, more or less, parallel with the easterly line of said section to the northerly line of Golden State Tract No. 2, as per map recorded in Book 4, Page 60, of Miscellaneous Maps, in the office of the county recorder of said county, thence East 132.00 feet along said North line, thence North 630.00 feet to a point South 30.00 feet from the North line of said section, thence West 132.00 feet to the point of beginning.

EXCEPT that portion thereof included within the 70.00-foot strip of land described in the deed of the Orange County Flood Control District, Recorded December 16, 1958 in Book 4517, page 458, Official Records.

EXHIBIT A

OCVOCEF 000790

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